



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Financial Audit Division

---

Expenditure Limitation Report

# La Paz County

Year Ended June 30, 2002

---



---

**Debra K. Davenport**  
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.



Copies of the Auditor General's reports are free.  
You may request them by contacting us at:

**Office of the Auditor General**

2910 N. 44th Street, Suite 410 • Phoenix, AZ 85018 • (602) 553-0333

Additionally, many of our reports can be found in electronic format at:

**[www.auditorgen.state.az.us](http://www.auditorgen.state.az.us)**

La Paz County  
Report on Audit of Annual Expenditure Limitation Report  
Year Ended June 30, 2002

Table of Contents	Page
Independent Auditors' Report	1
Annual Expenditure Limitation Report—Part I	2
Annual Expenditure Limitation Report—Part II	3
Annual Expenditure Limitation Report—Reconciliation	4
Notes to Annual Expenditure Limitation Report	5



**STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL**

**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**WILLIAM THOMSON**  
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report**

Members of the Arizona State Legislature

The Board of Supervisors of  
La Paz County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of La Paz County for the year ended June 30, 2002. This report is the responsibility of the County's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Annual Expenditure Limitation Report of La Paz County for the year ended June 30, 2002, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature and the Board of Supervisors, and for filing with the Auditor General of the State of Arizona, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Dennis L. Mattheisen, CPA  
Financial Audit Director

May 7, 2003

La Paz County  
Annual Expenditure Limitation Report—Part I  
Year Ended June 30, 2002

1. Economic Estimates Commission expenditure limitation	\$8,821,386
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>8,821,385</u>
3. Amount under the expenditure limitation	<u>\$ 1</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: \_\_\_\_\_

Name and Title: Ava Alcaida, Finance Director

Telephone Number: (928) 669-2247 Date: \_\_\_\_\_

See accompanying notes to report.

La Paz County  
Annual Expenditure Limitation Report—Part II  
Year Ended June 30, 2002

Description	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$8,617,305	\$8,954,259	\$ 822	\$1,523,462	\$19,095,848
B. Less exclusions claimed:					
Debt service requirements on other long-term obligations (Note 2)	262,743	184		392,796	655,723
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	212,375	74,174		9,502	296,051
Trustee or custodian (Note 4)	230,933	206,136			437,069
Grants and aid from the federal government (Note 5)	837,591	1,551,682			2,389,273
Amounts received from the State of Arizona (Note 5)	746,215	2,375,416			3,121,631
Quasi-external interfund transactions (Note 6)	252,747				252,747
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)		2,977,044			2,977,044
Contracts with other political subdivisions (Note 7)	15,225				15,225
Prior years carryforward (Note 8)	<u>          </u>	<u>129,700</u>		<u>          </u>	<u>129,700</u>
Total exclusions claimed	<u>2,557,829</u>	<u>7,314,336</u>	<u>          </u>	<u>402,298</u>	<u>10,274,463</u>
C. Amounts subject to the expenditure limitation	<u>\$6,059,476</u>	<u>\$1,639,923</u>	<u>\$ 822</u>	<u>\$1,121,164</u>	<u>\$ 8,821,385</u>

See accompanying notes to report.

La Paz County  
Annual Expenditure Limitation Report—Reconciliation  
Year Ended June 30, 2002

Description	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
A. Total expenditures or expenses and applicable other financing uses reported within the general purpose financial statements	\$9,226,541	\$11,771,506	\$822	\$1,356,428	\$22,355,297
B. Deductions:					
Items not requiring use of working capital:					
Depreciation				166,211	166,211
Loss on disposal of capital assets				21,293	21,293
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 9)		2,817,247			2,817,247
Long-term care contributions withheld by the State Treasurer (Note 10)	<u>609,236</u>				<u>609,236</u>
Total deductions	<u>609,236</u>	<u>2,817,247</u>		<u>187,504</u>	<u>3,613,987</u>
C. Additions:					
Principal payments on long-term debt				213,592	213,592
Acquisition of capital assets				<u>140,946</u>	<u>140,946</u>
Total additions				<u>354,538</u>	<u>354,538</u>
D. Amounts reported on Part II, Line A	<u>\$8,617,305</u>	<u>\$ 8,954,259</u>	<u>\$822</u>	<u>\$1,523,462</u>	<u>\$19,095,848</u>

See accompanying notes to report.

La Paz County  
Notes to Annual Expenditure Limitation Report  
Year Ended June 30, 2002

Note 1 - Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes §41-1279.07, which excludes expenditures or expenses of certain revenues specified in the Arizona Constitution, Article IX, §20 from the total expenditures or expenses reported in the annual general purpose financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on Part II and each deduction or addition in the Reconciliation that cannot be traced directly to an amount reported in the annual general purpose financial statements. All references to financial statement amounts in the following notes refer to the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—All Governmental Fund Types for the General, Special Revenue, and Capital Projects Funds; the Statement of Revenues, Expenses, and Changes in Retained Earnings—Enterprise Fund; and the Statement of Cash Flows—Enterprise Fund.

Note 2 - The exclusion claimed for debt service requirements on other long-term obligations consists of principal retirement and interest expenditures for certificates of participation and capital leases of \$262,743 recorded as general government expenditures in the General Fund; \$184 recorded as public safety expenditures in the Special Revenue Funds; and \$392,796 recorded as cash outflows for principal payments and interest paid on long-term debt in the Enterprise Fund.

Note 3 - The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$212,375 in the General Fund includes investment income expended of \$73,078 and interest on delinquent taxes expended of \$139,297, which was recorded as tax revenue.

The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$74,174 in the Special Revenue Funds does not include \$13,383 of investment income, attributable to the Jail District, that was deducted from expenditures on the Reconciliation.

Note 4 - The exclusion claimed for trustee or custodian in the General Fund consists of \$230,933 in contributions by the County to the Arizona Health Care Cost Containment System for acute care.

The exclusion of \$206,136 claimed for trustee or custodian in the Special Revenue Funds consists of \$188,276 of general government expenditures from revenues in the Anti-Racketeering (RICO) Fund and \$17,860 of general government expenditures from revenues in the County Attorney RICO Fund, which benefited other governmental entities.

La Paz County  
Notes to Annual Expenditure Limitation Report  
Year Ended June 30, 2002

Note 5 - The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, and highway user revenues in the General and Special Revenue Funds.

	<u>General Fund</u>	<u>Special Revenue Funds</u>
<b>Description</b>		
Grants and aid from the federal government	\$ 837,591	\$ 1,551,682
Amounts received from the State of Arizona	746,215	2,375,416
Highway user revenues in excess of those received in fiscal year 1979-80		2,977,044
Other revenues (nonexcludable)	2,633,055	2,060,159
Amount carried forward	<u>                    </u>	<u>3,289,391</u>
Total intergovernmental revenues as reported in the general purpose financial statements	<u>\$4,216,861</u>	<u>\$12,253,692</u>

Note 6 - The exclusion claimed for quasi-external transactions consists of \$252,747 of miscellaneous revenues expended that were also recorded as Special Revenue Funds' expenditures.

Note 7 - The exclusion claimed for contracts with other political subdivisions consists of \$15,225 of miscellaneous revenues expended pursuant to a contract with the Town of Parker to provide prosecutorial services.

La Paz County  
Notes to Annual Expenditure Limitation Report  
Year Ended June 30, 2002

Note 8 - Prior years carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year in the Special Revenue Funds as follows.

**Description**

Dividends, interest, and gains on the sale or redemption of investment securities	\$ 6,700
Amounts received from the State of Arizona	<u>123,000</u>
Total prior years carryforward expended	<u>\$129,700</u>

Note 9 - The deduction of \$2,817,247 for separate legal entities established under Arizona Revised Statutes consists of public safety expenditures of \$2,808,179 for the Jail District and \$9,068 for the various street lighting districts included within the County's reporting entity but not included in the Economic Estimates Commission base limit calculations.

Note 10 - The amount of transaction privilege taxes withheld by the State Treasurer to meet the County's share of long-term care costs was reported as a revenue and an offsetting expenditure in the County's general purpose financial statements. Consequently, this expenditure has been deducted on the Reconciliation.